

## Collaboration in Construction Road Show



Following the launch of the National Report 'Transforming Local Authority Construction - The Power of Frameworks', published and launched at the Local Government Task Force Conference on the 9th May 2006, the East Midlands Regional Centre of Excellence has developed a regional conference to support the dissemination and adoption of the best practice covered in the report.

The first regional road show was trialled in the East Midlands with 127 delegates from local authorities and construction partners. With 85% of the audience rating the conference a good and excellent event, the East Midlands Regional Centre would like to offer the format of the conference to local authorities in other regions.

The conference is about sharing knowledge, considering implementation issues and helping local authorities to collaborate in construction. The regional road shows will collect evidence for a business case to assist local authorities in the competent and efficient delivery of frameworks by:

- providing strategic direction to public sector construction decision makers to improve procurement methods and efficiency in construction projects.
- stimulating the way private sector contractors support local authorities in delivering efficiency.
- educating key members of the construction team responsible for; contract delivery and project management, purchasing and supply chain management, and the other professional services associated in the delivery of a successful construction projects, to consider the actions necessary to improve collaboration in construction projects.

Attendance will contribute to:

- an understanding of frameworks and the approach to implementation under the new European directive.
- the ability to influence the direction of public sector construction procurement.
- Influence the support agenda and direct the way local authority construction projects should develop.
- sharing ideas and solutions to industry problems and meeting like minded people.

- networking and promoting best practice and taking part in developing the future of the construction industry and being part of a community with one objective.
- awareness of the common issues and what is being done to address the problem.
- equipping local authorities with the knowledge to start to implement change.

The following areas have been identified to drive the agenda forward:

1. Member awareness and leadership
2. Clear national Government vision
3. Clear and understandable guidance and information
4. Client alliance & mentoring
5. Regional Sector Communities
6. Incentives & directives
7. Combined training and cultural change
8. Communication and awareness
9. Collaborate with regional Government
10. Legal & contractual guidance

If you are interested in supporting the regional Collaboration in Construction Road Show and would like the conference to come to your region, please contact Chris Allison, Director East Midlands Centre of Excellence.  
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Chris Allison  
Director, EM Centre  
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## Construction lead role for *emda*

The construction industry is growing at a fast rate and it is predicted it will continue to grow in the coming years. More than two million people are employed in the industry and there are more than 260,000 enterprises ranging from multinational, regional and local contractors to specialist suppliers and consultancies.

Last year East Midlands Development Agency (*emda*) took on the lead role for construction on behalf of all nine Regional Development Agencies (RDAs) in the UK. This means communicating to Central Government on behalf of all regions to ensure there is a common approach and tackling issues of national importance within the Construction sector, which are likely to influence the industry.

Construction accounts for 10% of the UK's GDP and has an output of more than £100bn which means *emda*'s lead role is vitally important in supporting this leading industry. Lead role status gives an RDA a more powerful voice at a national level and helps influence regional and national policy development.

One aim is to implement a common action plan for RDA partners and stakeholders to support the industry's continued and sustained development. This must be consistent across the UK - we do not want to duplicate efforts across the regions. Our role is about working together with partners and other RDAs to support the industry and present a unified voice.

The industry has a powerful, economic, environmental and social impact, but it faces a number of challenges, which need to be tackled. Legislation is steering us towards more sustainable construction, in reducing CO<sub>2</sub> emissions, landfill tax and improving waste management. But legislation alone will not address these challenges.

Opportunities to make improvements exist not only in construction, but also the entire supply chain. These include skills and training, procurement, design, recyclables, demolition and building. Health and safety is a vital component within the

improvement agenda, which is laid out in the Government's draft Sustainable Construction Strategy 2006, which *emda* has responded to, on behalf of all RDAs.

Through consultation with key partners and stakeholders, priority areas have been identified to strengthen the industry and tackle the challenges highlighted in the Strategy. These are;

**Best practice** - developing sustainable practices and energy efficiency as well as quality building design.

**Investment** - improving regional investment and looking at how the industry and Government can safely deliver £31bn of publicly funded construction and infrastructure development.

**Skills and image** - Tackling the skills shortage by attracting young people to the industry as well as developing training packages for people already in the sector and improving the image of the industry.

We look forward to working closely with partners, including Local Government Task Force, local authorities and industry stakeholders across the UK - successful collaboration is imperative and will ensure that all regions have a common approach to the development of this important industry.

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Dr. Bryan Jackson



### NATIONAL AGENCY FOR ENTERPRISE AND CONSTRUCTION

On 29th September Peter Bishop from the LGTF and other representatives from Constructing Excellence and the DTI met with the Director Jesper Rasmussen and colleagues of the Danish National Agency for Enterprise and Construction, which is a part of the Danish Ministry for Economic and Business Affairs (equivalent to DTI). [http://www.naec.dk/about\\_construction/28844/1/0](http://www.naec.dk/about_construction/28844/1/0)

The National Agency for Enterprise and Construction is broadly responsible for enterprise and construction policy. Their job is to develop a competitive, market-based growth environment for companies. They accomplish this in co-operation with the corporate sector, business associations and other public sector actors.

During the visit the delegation sought new sources of inspiration in the area of construction politics in order to facilitate the Danish governments plans for a new action plan within the Danish construction sector. The delegation from National Agency for Enterprise and Construction would particularly like to focus on the following aspects of UK policies:

- New purchase policies in public construction, particularly in consideration of the cuts in cost of procurement recommended by the Gershon efficiency review.
- Long strategic cooperation between client and supplier, e.g. strategic partnering and framework contracts.
- The interplay between the government construction policy and actions taken by local authorities.

The meeting was practical and the delegation obtained new ideas and input into how they can develop the public construction sector, make it more efficient, and more economical.



# Demonstrations Working Group

In order to create a stronger link between Constructing Excellence's Demonstration team and the Local Government Task Force Board a small working group has been established to drive LGTF Demonstration activity and ensure that the Demonstrations deliver the best possible value for the local government sector.

The working group is currently made up of

- Noel Foley - Office of Government Commerce
- Mike Foy - St Helens Council
- Burney Johnson - Durham County Council
- Marie Milner - Leeds City Council
- Natalie Clinton - Local Government Task Force
- Jon de Souza - Constructing Excellence

The group will have a number of key roles:

Bringing intelligence on possible suitable projects to the CE Demonstration team

Providing an insight into current local government best practice in the LGTF key theme areas

Bringing to light new key themes for the local government sector on which future Demonstrations would be delivered.

Assessing whether proposed Demonstrations should be taken forward as part of the programme.

Championing the Demonstration process.

## New Demonstrations

We are still looking to recruit new Demonstrations, especially in the areas of Fair Payments and Cross Authority Collaboration. If you have a project that you believe may be suitable for Demonstration status please contact Jon de Souza by e-mail at [desouzaj@constructingexcellence.org.uk](mailto:desouzaj@constructingexcellence.org.uk) or by telephone on 020-7592-1100.



## £1.2 BN efficiency gains delivered by councils

Local authorities in England have delivered a further £1.2 billion worth of efficiency gains in 2005/06, on top of the £700 million they achieved in 2004/05, figures published by the Department for Communities and Local Government (DCLG) show.

The savings are identified by local authorities in their annual backward look efficiency statements. The total exceeds that predicted by councils at the start of the financial year in their forward look statements, published in June 2005.

Today's figures complement the forward look efficiency statements - announced in June - when local authorities indicated they were likely to achieve a further £1.3bn of gains during 2006/07. As a result local government is well on its way to meeting the £3bn Gershon target a year ahead of schedule.

The figures exclude efficiency gains for schools, police and fire authorities. A full breakdown of the backward look efficiency statements for local authorities can be viewed at:

[www.communities.gov.uk/index.asp?id=1503018](http://www.communities.gov.uk/index.asp?id=1503018)

## Local Government representation on the Joint Contracts Tribunal (JCT)

The Joint Contracts Tribunal was established in 1931 and has for 75 years produced standard forms of contracts, guidance notes and other standard documentation for use in the construction industry.



Following requests from the JCT and Local Government Association (LGA) the LGTF have agreed to provide formal local authority input to the JCT. A small sub group of six people will be formed to help JCT in their work to be chaired by one full LGTF Board member, but will be a current local authority practitioner. The remainder of the group are not necessarily LGTF Board members.

A draft Memorandum of Understanding has been agreed in principle by the LGA and JCT which sets out the terms under which the LGTF would perform this function. This will include the publication of a collaborative contract in the near future.

# Construction Supply/Demand Management - Delivering the Benefits Conference

London - 25 September 2006

The audience for the premier public sector construction-related OGC conference of 2005 was drawn from across the public sector construction community and included representatives from both the client and supply sides of the industry.

It focused on the benefits of the innovative work OGC Smarter Construction has been facilitating under the direction of the Public Sector Construction Clients Forum (PSCCF) to improve construction supply and demand management across the public sector.

Sir Christopher Kelly, Chair of the PSCCF gave the opening address describing the PSCCF's work to oversee the continuous improvement of the whole-life value achieved for construction programmes and projects across government. He delivered three key messages:

1. The collection of demand management information is essential to maximise the market's potential.
2. Without contributions of information of sufficient quantity and quality from departments, the public sector construction client community might as well forget the whole supply/demand management initiative. This should not be onerous - the information needed is no more or less than is needed for sound planning.
3. Once available, there will be no point if the community does not use the information to aid Ministers' or Boards' decision-making

During the morning there were a number of presentations that brought delegates up to speed with the PSCCF/OGC's supply and demand management initiative. David Adamson and John Ioannou explained the drivers for the work that had culminated in the commissioning of Deloitte/Experian to undertake the 2005-2015 Construction Demand/Capacity Study and produce the subsequent report, and the 'Model'.

Heather Hancock from Deloitte, Neil Blake and Noble Francis, representing Experian, provided more detail on the findings of the Study, the Model that provides market analysis capability and the relationship of the ConstructionSkills work to the Model.

Denis Walker, DTI's Head of Construction Unit and Paul Britton, Cabinet Office Head of Economic and Domestic Affairs Secretariat examined why the availability of the construction



Delegates from across the public sector listening to one of a wide range of presentations

market analysis tool is important from the respective perspectives of the industry and of Government.

The morning ended with John Ioannou introducing a presentation by Peter Mann of CDS demonstrating the Public Sector Construction Database (PSCCD) that will be the platform for the visibility of forward programmes across government as well as providing the data feed for the Model. The key message repeated here was in the title of the session 'No Data - No Point'. In other words, without contributions of information of sufficient quantity and quality neither the PSCCD nor the Model will be of any value.

Archie Robertson, CE HA and PSCCF member provided an insight into how the supply demand management agenda will benefit the Highways Agency. This was followed by a plenary session where the audience was invited to 'Ask the Panel' of specialists about the impacts and benefits of the 2005-2015 Study and its outcomes.

In conclusion, Sir John Bourn KCB, Comptroller and Auditor General focused on the achievements already made in improving public sector construction procurement, which had been identified in the March 2005 NAO Report - Improving Public Services through better construction which was the impetus for the PSCCF. He emphasised the potential for future savings if best practice is followed especially in respect of "six factors for success", which include the establishment of effective programmes and engagement with contractors, well-focused and capable public sector clients and decisions based on whole-life value.

## Contact the LGTF

- to let us know your views;
- for information, support and resources on procurement issues;
- to change address details or nominate a colleague to receive this newsletter.

Next LGTF Board meeting: 12th December 2006.

See website for a synopsis of meetings.

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